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## Business Case

**Project Name: HR Modernization Phase II**

**Channel: SFA HR**

**Project Sponsor: Calvin Thomas**

**Project Lead: Scott Bone**

### **Project Description**

**Describe the need for change (the business problem to be addressed).**

SFA HR has primary responsibility for partnering with SFA Channels and Business Units to foster a future-focused, flexible workplace in which people are encouraged to develop new and innovative solutions to organizational needs. Currently, SFA HR relies heavily on the processes and systems provided through the Department of Education's Human Resources Group (HRG) to support HR services. However, many of the computer systems and processes within HRG that are utilized by SFA do not support activities that are completely integrated into SFA's organizational decision-making; they are comprised of standalone, stovepipe systems that are fragmented and unable to interface cleanly with other enterprise applications.

It is expected that SFA will strategically partner with HRG to anticipate future organization needs and recommend mutually beneficial actions and solutions. SFA will work with HRG to define and develop HR technology solutions that SFA will incubate on behalf of the entire Department. SFA will also share best practices and lessons learned with the Department of Education to be considered for department-wide implementation. SFA will work collaboratively with the Department to develop solutions that may be considered for department-wide implementation. Through this approach, SFA will continue building upon the original Automation vision outlined in Phase I and share lessons learned with the Department.

Phase II is a continuation of work completed during HR Modernization Phase I. HR Modernization Phase I work included:

- Documenting all current HR processes through "As-Is" process flows
- Creating the new Performance Development Process (PDP)
- Developing the "To-Be" state of Performance Management to support the PDP
- Implementing the HR Automation Platform utilizing the Jamcracker aggregation model
- Implementing the Performance Management ASP solution, Perform.com, on the Jamcracker Platform

Phase II of HR Modernization is based on 3 premises:

- Adding new functionality to existing applications from Phase I
- Expanding existing HR capabilities
- Incubating new solutions for the Department

Phase II of HR Modernization will continue to develop core competencies in SFA HR that are synergistic with HRG and address the specific needs of the SFA workforce during its PBO transformation. Per our agreement with the Department, SFA HR will continue to incubate new netsourced ASP solutions that benefit SFA, and have the potential to be utilized by the entire Department. These tools will enable SFA



HR to provide new services to our employees to meet our strategic objectives of Customer Satisfaction, Employee Satisfaction and Unit Cost Reduction.

New HR functions will continue to reuse the Jamcracker enterprise asset, as a 24/7 platform for automating and streamlining HR functions. This will allow SFA employees access to services on an anywhere, anytime basis, a self-service model where our employees drive when they need to use these services. Today, these capabilities are not provided by the Department, and through this modernization effort, the Department will be enabled to utilize these same tools and services.

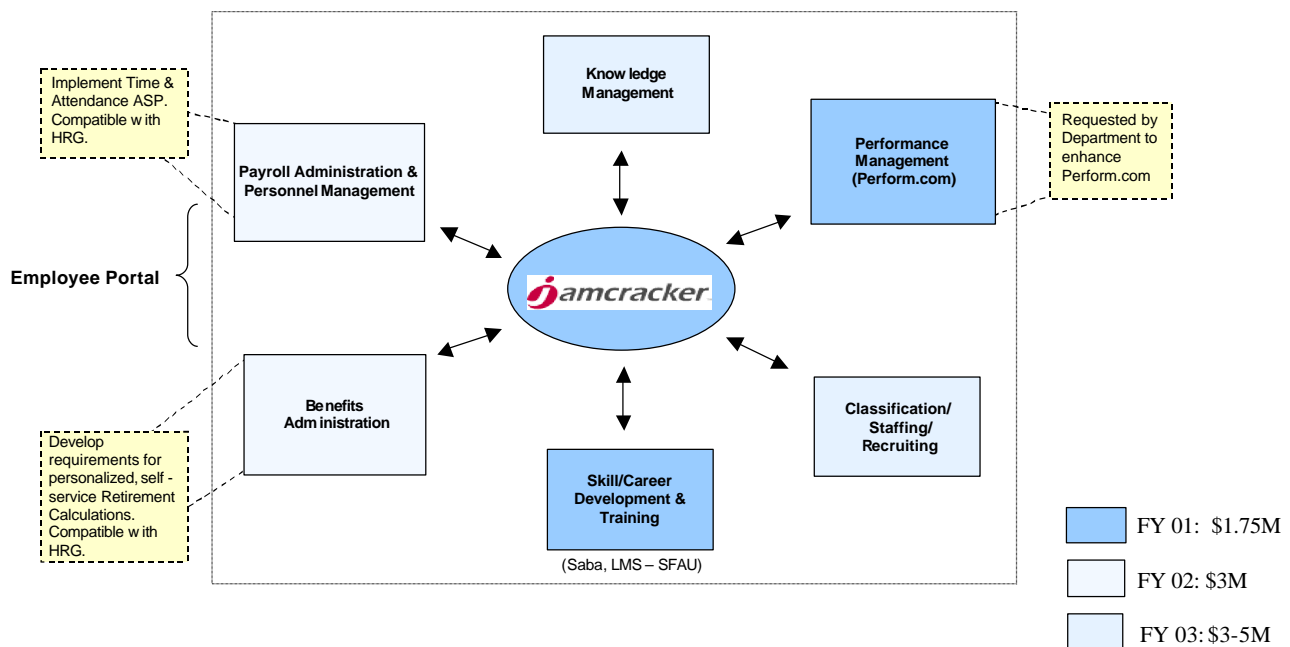
So, why act now to fund this initiative? Firstly, SFA HR has committed to the Department to rollout Perform.com to be the Performance Management solution. Secondly, SFA is losing approximately \$2-4 million in productivity of the workforce a year through time spent in reconciliation (SFA employees and SFA HR personnel) and time reporting errors.

### What is the purpose of the initiative?

HR Modernization's goals are aligned with providing HR services that enable our employees to enhance their skills through career development activities on Perform.com, as well as automating manual HR functions like Time and Attendance. These new services will generate specific cost savings and cost avoidance opportunities as recurring activities -- like Time and Attendance -- are retooled and completely automated.

Further, this initiative is focused on building out the core services of our recently created SFA HR organization. These services are critical to enable SFA's workforce to enhance the service to our Students, Schools and Financial Partners, while finding avenues to increase efficiency and reduce overall delivery cost. SFA HR is filling in the gaps and transforming ineffective solutions of current HR functions, to enable SFA and the Department to capitalize on the potential of its employees.

### What is the scope of the initiative, including what it is not?





HR Modernization Phase II will focus specifically on improvements in three of our primary HR functional areas:

- Time & Attendance automation for Payroll Administration and Personnel Management
- Incorporate components of GPAS into Perform.com to facilitate roll-out of Perform.com to the entire Department under Performance Management
- Design of Retirement Calculations for Benefits Administration to enable employee self-service

The initiative will also provide organizational support for the build out of the SFA HR organization to support the new processes and systems implemented.

This initiative will build upon the foundation of the Jamcracker platform and associated processes that were established in Phase I of HR Modernization. The Jamcracker platform is designed to facilitate the rapid deployment of netsourced applications. Netsourced applications are a key component of SFA's Target State Vision. Maintenance and support activities are outsourced to Jamcracker to provide 24/7 virtual support to our employees. Through this outsourcing and economies of scale as additional applications are launched on the platform, SFA HR is contributing directly to reducing unit cost reduction at SFA.

The HR Automation vision was initially created to provide a framework for the rapid deployment of "Best-of-Breed" Human Resource and Human Capital ASP systems, facilitate the automation of these core processes and therefore, support SFA's PBO transformation. Through this vision, SFA HR has taken a lead in establishing a direction for SFA to follow in using net-sourced applications. The SFA HR Automation vision utilizes an Aggregator model (Jamcracker) to connect multiple Application Service Providers (ASP's). Users access individual applications through the aggregator using a single sign-on. The HR functional areas integrated into the aggregator and represented in the model include: classification/recruiting/staffing, performance management, knowledge management, skill/career development and training, payroll administration and benefits administration. These areas are intended to be automated and streamlined in a synergy with the Department.

**What is the start date and end date of the initiative?**

Phase II of HR Modernization will begin on January 14, 2001 and last through December 20, 2002.

**What other business areas/external groups are affected by the implementation of this initiative and how are they affected?**

SFA HR will work collaboratively with the Department to ensure that solutions that are incubated at SFA include where possible Departmental requirements, so that they can be optionally rolled-out to benefit all of ED.

**What systems are impacted by the implementation of this initiative and how are they impacted?**

HR Modernization Phase II will continue to add new netsourced ASP capabilities to the Jamcracker platform. Specifically, Perform.com will replace the GPAS system, while manual processes in Time and Attendance reporting will be automated and connect to the current FPPS payroll system at DOI.

Additionally, HR Modernization Phase II will continue its focus on ensuring the privacy and confidentiality of SFA and its employee's data. Phase II will build upon the Risk Assessment and Security Plans that were completed for Phase I, and move them to the standards and formats now being



set forth by ED. Further, the Jamcracker Platform and all integrated ASP's will undergo a Credentialing and Accreditation (C&A) review along with the rest of SFA's systems.

All contracts with Jamcracker or its ASP's have specific confidentiality and privacy language to protect SFA's data, as well as requirements for them to comply with all Privacy Act, 508, FAR and other government regulations. This includes the requirement to comply with any requests for audits by the Inspector General or other government auditory body.

The targeted completion dates set forth by ED to be completed in the new formats at this point are:

Risk Assessment	4/15/02
Security Plan	6/15/02
Credentialing & Accreditation (C&A)	12/31/02



## What business processes are impacted by the implementation of this initiative and how are they impacted?

Phase II will impact the following processes:

- Payroll Administration
- Performance Management
- Benefits Administration

This initiative will utilize the “As-Is” process flows documented for SFA in Phase I of HR Modernization.

### Current Functionality and Business Processes

#### Performance Management

- SFA employees complete appraisal using GPAS
- Current development tool not used across SFA

#### Time & Attendance

- Employee submits forms manually for exceptions to master schedule
- Supervisor signs forms and employee submits to timekeeper
- Timekeeper enters data into FPPS and forwards to employee's certifier
- Certifier approves (or discusses with employee and makes changes) and forwards to NBC in Denver

#### Benefits Administration (“Filling in the gaps”)

- SFA HR resources required to provide Retirement Calculations services since no self-service available
- SFA HR requires tool to provide Retirement Calculation service

### Future Functionality and Business Processes

- **Web-based** appraisal and development process and system
  - ✓ Employees can access the site anytime, anyplace, anywhere
- Appraisal process **integrated** with Development process into one offering (Perform.com) accessed through Jamcracker

- Employee validates time **directly on web-based application**
- Supervisor **approves on-line**
- Batch job drops data to NBC in Denver

- Automation through netsourced tool of retirement calculations

Through the documentation it was found that within the Performance Management process, employees currently use GPAS to complete their appraisal. For development, the Department's IDP is not widely used across SFA. For the future state of the area, Phase II will integrate the development and appraisal components into one offering. This offering will utilize Perform.com and the Jamcracker platform. By using these web-based applications, employees will have access to the site anytime, anyplace and anywhere.

The “As-Is” Time & Attendance process is manual and exception based. Employees submit paper forms for exceptions to their schedules and their Supervisors sign off. From this point the forms are passed to the timekeeper and then the certifier approves. By automating this process in Phase II, the process will be streamlined with the employee entering his/her time directly onto a web-based application. All approvals will occur on-line and data will be easily transferred to SFA's payroll application and integrated with FPPS at DOI.



Finally, within Benefits Administration, there is a gap with the Retirement Calculation services SFA HR can provide. Currently, SFA HR resources are required to provide these services since no self-service is available to employees. Through exploring the automation of this process, SFA HR will gain a tool to assist the workforce in determining what options are available to them.

The enhancement and automation of these processes will require new “To-Be” processes to be developed. These processes will be focused on improving Employee Satisfaction and Unit Cost reduction measures.

## **Enterprise Impact**

### **What are the impacts on the Enterprise from the implementation of this initiative? (Please detail decisions needed from Department)**

Enterprise impacts are focused solely on the automation of Performance Management by Perform.com, which was already decided and initially implemented in Phase I, and the front-end automation of the Time & Attendance processes.

The impacts from this initiative are very deep across the Enterprise. The Department has asked SFA to be an ‘incubator’ for improved Services that can be used across the Department. SFA HR as part of Phase II is responding to this request as it enhances the Performance Management solution and seeks to implement a new Time & Attendance application. For example, within Performance Management, SFA HR will evaluate the functionality of the existing GPAS/IDP processes and enhance the Perform.com solution to reflect these. SFA HR will then offer the Performance Management tool to the Department, which will reflect its current functionality with additional enhancements.

For implementation of Time & Attendance, the Department will be involved in the identification of business requirements and vendor selection process. After SFA pilots the solution, the Department will evaluate whether or not it will implement it department-wide.

SFA Employees will also be directly impacted by this initiative. Employees will see time saved with the automation of processes that used to be done manually. Employees will have access to new web-based applications that will facilitate usability through a self-service model – available anytime, anyplace, anywhere. This will especially be useful for employees who work virtually or travel frequently.

SFA HR will reap many benefits, mainly increased cost savings and more time to devote to strategic HR functions.

## **GPEA Compliance**

The implementation of the HR Automation Vision contributes greatly to the achievement of GPEA requirements for the Department. Through automation of the currently manual, heavily paper-based Time & Attendance process the Department will decrease its reliance on paper. The ASP implemented for Time & Attendance will provide for electronic submission, maintenance and disclosure of information as a substitute for paper. Also the usage of electronic signatures will be explored for further elimination of paperwork.

The elimination of paperwork from the Time & Attendance process will also allow for tighter financial controls and a decreased probability for fraud and abuse (with the possible usage of electronic signatures).



## **Accessibility**

Please indicate how the initiative complies with accessibility guidelines. The Department and SFA's Accessibility Guidelines can be found at the following URL:

<http://connected.ed.gov/policies/index.cfm?navID=71C6D478-E6E0-4C0E-B9D1324CFF996047&menuItem=2&subMenuItem=1>

Please be sure to comment on this initiatives effort to meet Section 508 compliance.

New ASP's on the Jamcracker platform will undergo standard 508 compliance testing to ensure they meet current government regulations for usability.

## **Technologies Used**

List the proposed technologies that will be used to implement this project

Name/type	Proposed use	Has technology been used at SFA before? Where?	Does Technology fit SFA's Architecture Standard? Explain.	Does SFA have the technical expertise to implement this technology? Why?
Application Service Provider	Performance Development Process; Time & Attendance	Yes, Perform.com for Performance Management and SFA University's Learning Management System using Saba	Yes/Target State for Netsourced applications	Yes/already implemented Jamcracker platform in Phase I. Outsourced maintenance and support to Jamcracker. Jamcracker platform is an enterprise asset for SFA.

## **Benefits**

The objective of this effort is to automate processes and systems that SFA, in partnership with HRG, can improve to better support the operations of SFA HR and the workforce. SFA HR will work collaboratively with the Department to develop solutions that may be considered for department-wide implementation. Through this approach, SFA will continue building upon the original Automation Vision outlined in Phase I and share lessons learned with the Department. It is expected that by automating the Performance Management and Time & Attendance processes employee satisfaction will increase by giving employees more control over their growth and development and career. Unit cost is expected to decrease through the savings realized by the automated Time & Attendance application allowing the elimination of time and cost spent in reconciliation and time reporting errors. Finally, customer satisfaction should also rise resulting from more satisfied employees having the tools they need to be successful, becoming more productive.



*Reduce Unit Cost (HARD DOLLARS)*

Quantified Benefit (\$)	How will benefit be measured/realized?	When will benefit be realized?
	▪	
<i>Assumptions</i>		
<ul style="list-style-type: none"> <li>– Savings could accumulate through the alignment of employee's goals with team and organizational goals, resulting in achievement of SFA's performance objectives.</li> <li>– Automated Time &amp; Attendance solution reduces the likelihood of fraud and waste.</li> <li>– Reduced development costs due to reuse of Jamcracker platform, an enterprise asset.</li> </ul>		

*Increase Customer Satisfaction*

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
By automating many of the HR transactional processes, HR managers will have more time to strategically partner with other executives in SFA to address business concerns that will impact customer satisfaction.	<ul style="list-style-type: none"> <li>▪ Increased customer satisfaction scores</li> <li>▪ Increased workforce productivity as measured by organization balanced scorecard</li> </ul>	Upon implementation.
Higher performing workforce through continuous feedback mechanism of the Performance Management application.	<ul style="list-style-type: none"> <li>▪ Increased customer satisfaction scores</li> <li>▪ Increased workforce productivity as measured by organization balanced scorecard</li> </ul>	Upon implementation of Performance Management application.
<i>Assumptions</i>		





*Increase Employee Satisfaction*

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Offering 24/7 self-service of human resources capabilities anytime, anyplace, anywhere (especially useful for employees who travel frequently or work remotely)	<ul style="list-style-type: none"><li>Increased employee satisfaction scores</li></ul>	Upon implementation of applications on Jamcracker platform (9/02).
Performance Management System will provide employees an opportunity to manage their career and skill development	<ul style="list-style-type: none"><li>Increased employee satisfaction scores</li><li>Increased workforce productivity as measured by organization balanced scorecard</li></ul>	Initial benefit will be realized in one year after implementation of the Performance Development Process and Perform.com application.
Managers will be better equipped to consistently apply overtime and absence rules (such as tracking employee vacation requests)	<ul style="list-style-type: none"><li>Reduced unit cost due to decrease in overpayment and manual errors</li></ul>	Upon implementation 9/02 and on going.
Employee Self-Service. For example, allowing for scenario planning so that staff can be educated in making their life event choices (ex. Retirement calculations)	<ul style="list-style-type: none"><li>Increased employee satisfaction scores</li></ul>	Self-Service of time tracking will be available 9/02; Retirement Calculations will be realized in Phase III.
<i>Assumptions</i>		

**OTHER BENEFITS:**

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Standardized T&A forms across SFA and auditing controls	Standardized forms and auditing controls will achieve IG and GAO goals for better financial management.	Upon implementation of Time & Attendance ASP.
Contributes to GPEA	Through automation of the current manual Time & Attendance process.	Upon implementation of Time & Attendance ASP.



Department of Education  
Office of Student Financial Assistance

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Potential usage of e-Sign technology	Contributes to the IG and GAO goals. Also, contributes to the achievement of GPEA.	Work to scope out usage of e-sign in Phase I. Upon implementation of Time & Attendance and Performance Management ASPs.

***OTHER COST BENEFITS:*** (Include Avoidance of Future Costs, Reduction to any Non- SFA entity's costs and Other Unquantified Benefits)

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
\$2-4 million a year	Through front-end automation of Time & Attendance, SFA can capture \$2-4M a year in lost work days from time spent in reconciliation and time reporting errors	Will realize some savings (approx. \$500,000) in FY02 and then \$2-3 million per year ongoing. Therefore cumulate savings for the next 3-5 years could potentially be \$7.6 million.
\$500,000 per ASP added to Jamcracker platform	Through reuse of the Jamcracker platform (cost avoidance), economies of scale realized, and per SFA's contract (as additional ASPs are added to the platform the overall cost of the platform is reduced).	Upon implementation of automated applications on Jamcracker platform.
The Department can benefit if the solutions are applied department-wide, as they will not have had to invest funds and resources into the development of the solution.	Will not have to include a design and development cost for building automated HR services.	Upon implementation of automated applications department-wide.
Assumptions		



## Costs and Savings

Provide costs, including those to implement the initiative and the costs to support it over its useful life.

Dollar Values in \$000		Prior to BY	BY	BY+1	BY+2	BY+3	BY+4
Fiscal Year			FY02	FY03	FY04	FY05	FY06
<b>SECTION 1 - LEGACY BASELINE</b>							
<b>Legacy System Costs</b>							
Legacy System							
VDC Operating Costs			\$ -				
System O&M							
Other Costs							
<b>TOTAL Legacy Cost</b>	A				\$ -	\$ -	\$ -
<b>SECTION 2 - MODERNIZATION INVESTMENT</b>							
<b>Modernized System Investment</b>							
Modernized System Development							
Vision Phase		\$ 150	\$ 180	\$ 400			
Requirements Phase		\$ 200	\$ 500	\$ 800			
Design Phase		\$ 300	\$ 700	\$ 900			
Construction Phase		\$ 550	\$ 905	\$ 1,475			
Deployment Phase		\$ 150	\$ 200	\$ 200			
QA		\$ 50	\$ 25	\$ 25			
Security (KPMG)		\$ 50	\$ 100	\$ 100			
Production Support - VDC Services			\$ -				
Other Costs - Jamcracker Support/Integration			\$ 390	\$ 600			
<b>TOTAL Modernization Investment</b>	B	\$ 1,450	\$ 3,000	\$ 4,500	\$ -	\$ -	\$ -
Modernized System Operations							
Modernized O&M		\$ -	\$ 200	\$ 500	\$ 700	\$ 700	\$ 700
Legacy O&M				\$ -	\$ -	\$ -	\$ -
<b>TOTAL Modernization Operations</b>	C	\$ -	\$ 200	\$ 500	\$ 700	\$ 700	\$ 700
<b>TOTAL Modernization System Investment</b>	B+C	\$ 1,450	\$ 3,200	\$ 5,000	\$ 700	\$ 700	\$ 700
<b>SECTION 3 - SAVINGS</b>							
<b>Projected Savings</b>							
Total Modernization System Investment *	E=B+C	\$ (1,450)	\$ (3,200)	\$ (5,000)	\$ (700)	\$ (700)	\$ (700)
Total Savings/Year **	F=A+B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Savings		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Annual Return	H=E+F	\$ -	\$ (3,200)	\$ (5,000)	\$ (700)	\$ (700)	\$ (700)
Cumulative Net Annual Return	I=H+H	\$ -	\$ (3,200)	\$ (8,200)	\$ (8,900)	\$ (9,600)	\$ (10,300)
* Investment shown as a negative number value							
** Savings shown as a positive number value							
<b>TOTAL FY02 IRB Funds Requested</b>			\$ 3,000				
<b>TOTAL FY02 Operations Funds Requested</b>			\$ 200				



## **Total Cost of Ownership**

### **What is the level of required enhancement after implementation?**

After implementation, there are no required enhancements that are planned for at this time.

### **What is the life span of this initiative?**

This initiative is a continuation of the HR Automation Vision established in Phase II. This vision includes automating several more HR service areas, next in line to be components of Benefits Administration, such as Retirement Calculations.

## **Alternatives**

<b>Alternative</b>	<b>Consequence</b>
Remain as-is	<p>Do not implement any of the components of the proposed HR Modernization Phase II.</p> <p>Status Quo will remain:</p> <ul style="list-style-type: none"><li>- SFA HR will not be integrally involved in strategic business decisions</li><li>- Continued maintenance costs, ineffectual value provided by current hairball of fragmented systems</li><li>- Continued lack of employee empowerment and low job satisfaction</li></ul>
Non-technology solution	<ul style="list-style-type: none"><li>- SFA HR will continue to rely on HRG to be innovative and upgrade current services</li></ul>
Enhance an existing system	<ul style="list-style-type: none"><li>- SFA HR could work with HRG to enhance the current GPAS and IDP for Performance Management tools owned by the Department and relaunch.</li></ul>
Implement on a smaller scale	<ul style="list-style-type: none"><li>- Could focus on implementation of Time &amp; Attendance component only. Would not realize benefits of Performance Management investment already made in Phase I.</li></ul>
Other	



## **Risks**

<b>Risk</b>	<b>Description of Risk</b>	<b>Mitigation Strategy</b>
Financial	Cost for service level agreements could increase prior to implementation of some web-based tools	Assumption will be written into Task Order: <ul style="list-style-type: none"><li>▪ Service level agreement costs are estimated</li><li>▪ Actual costs will be determined when web-based tool is selected and contract signed</li></ul>
Technology		
Scope		
Management	Lack of a collaborative working relationship with the Union	Director of HR and other senior leadership team members will meet with union representatives to discuss pending initiatives and request union feedback/ involvement throughout the project lifecycle
Exposure		

## **Acquisition Strategy**

**Sources** (Indicate the prospective sources of supplies or services that can meet the need of this project. List the most likely offerors for the requirement, and/or the manufacturer and model of the equipment that will most likely be offered).

HR Modernization will continue its model of utilizing “Best-in-Breed” netsourced ASP’s that can be integrated onto the Jamcracker platform. ASP’s will be categorized based on their ability to meet business requirements that will be defined in the design phase and requested to participate in our standard netsourced RFI and Software Selection processes.

Perform.com has already chosen and implemented for the Performance Management component of the phase.

For Time and Attendance, initial ASP vendors include:

- Kronos
- Konetix
- Netbased Corporation’s EasyTimesheet
- Workscape



**Competition** (Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition, including any performance requirements that will be required).

Once business requirements are locked down, a standard software selection process will be utilized. A short list of vendors from an RFI will be selected to demo their products and discuss integration capabilities onto the Jamcracker platform. This will enable SFA to have several top tier options, that puts SFA in a stronger negotiating position during contracting activities and ensures a cost effective solution is chosen. This process has been utilized on our first two ASP's – Perform.com and Saba – and has worked very effectively.

**Contract Considerations** (For each contract contemplated, discuss contract type selection; use of multiyear contracting, options, or other special contracting methods, ex: performance-based).

All ASP's are required to contract into our already existing General Services contract with Jamcracker. This enables SFA to take advantage of its "Most Favored Nation" status with Jamcracker to ensure significant dollar savings in licensing, and to take advantage of multi-year options as well.

### **Schedule/Milestones (including acquisition cycle)**

#	Milestone	Start Date	End Date
1	Identify enhancements made to GPAS/IDP	2/1/02	4/1/02
2	Develop Performance Management processes and configure application (perform.com)	3/1/02	6/1/02
3	Deploy solution	6/1/02	7/1/02
4	Evaluate Time & Attendance process ("As-Is" analysis)	2/1/02	4/1/02
5	Identify T&A requirements	3/1/02	5/1/02
6	Complete Departmental Risk Assessment	3/15/02	4/15/02
7	Selection Time & Attendance ASP (acquire web-based tool)	4/15/02	6/1/02
8	Develop "To-Be" Time & Attendance process	5/1/02	7/1/02
9	Develop and execute testing and pilot. Develop training and communications	6/1/02	10/1/02
10	Complete Departmental Security Plan	5/15/02	6/15/02
11	Deploy solution	9/1/02	11/1/02
12	Provide organization support	2/1/02	12/20/02
13	Evaluate process and identify requirements of Benefits Admin (Retirement Calc.)	11/15/02	12/20/02
14	Complete Security Credentialing and Accreditation activities	9/1/02	12/31/02